This record is a partial extract of the original cable. The full text of the original cable is not available.

221125Z Aug 01

CONFIDENTIAL PTO4895

---151F17 221422Z /68

PAGE 01 HARARE 02480 01 OF 03 221422Z

ACTION AF-00

TNFO LOG-00 COR-01 AGRE-00 AID-00 CIAE-00 DODE-00 SRPP-00 TEDE-00 INR-00 VC-00 EB-00 H - 0.1L - 0.0AC-01 PRS-00 NSCE-00 OMB-01 PA-00 PM-00 NSAE-00 ACE-00 P-00 SP-00 SS-00 TRSE-00 T-00 USIE-00 BBG-00 PMB-00 DRL-02 G-00 SAS-00 /006W

FM AMEMBASSY HARARE TO SECSTATE WASHDC IMMEDIATE 9522 INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY AMEMBASSY ROME PRIORITY DEPT OF AGRICULTURE USD FAS WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 HARARE 002480

SIPDIS

CORRECTED COPY - USDA FAS WASHDC ADDED AS ADDEE NOT AS A PASS TO

STATE FOR AF, AF/S, AND AF/EPS

USAID FOR AFR/SA, NAN NEWMAN, LANCE DOWNING, AND C.W.T. HAGELMAN; ALSO FOR B/HR/FFP JON BRAUSE

PRETORIA FOR AGATT RICK HELMS

E.O. 12958: DECL: 08/22/03

SUBJECT: UNDP AND DONORS MEET ON FOOD AID FOR ZIMBABWE

REF: ROME 4322

CLASSIFIED BY DCM REWHITEHEAD DUE TO 1.5 (B) AND (D).

11. (C) SUMMARY. UNDP RESIDENT REPRESENTATIVE VICTOR ANGELO MET WITH A LARGE SEGMENT OF THE DONOR COMMUNITY ON AUGUST 20 AT THE FORMER'S INVITATION TO DISCUSS DEVELOPMENTS ON THE FOOD AID FRONT. THE GROUP FOCUSED IN SEQUENCE ON THE DIMENSIONS OF THE CRISIS, ESTABLISHMENT OF A HUMANITARIAN SECRETARIAT WITHIN UNDP AND POSSIBLE PROGRAM ACTIVITIES. ANGELO DESCRIBED HIGH-LEVEL GOZ RESISTANCE TO REQUESTING HUMANITARIAN
ASSISTANCE DESPITE INCREASINGLY RELIABLE, BUT SO FAR
INCONSISTENT, PROJECTIONS THAT THERE WILL BE FOOD
SHORTAGES BY EARLY NEXT YEAR. HE EXPRESSED CONCERN THAT CURRENT CONDITIONS ON COMMERCIAL FARMS COULD FURTHER AGGRAVATE THE SITUATION. ANGELO SAID THAT HE PLANS TO ESTABLISH IMMEDIATELY A RELIEF AND RECOVERY UNIT, WITH OR WITHOUT GOZ APPROVAL THAT IN FACT WOULD BE A UN PLANNING AND ASSESSMENT MECHANISM. ON THE PROGRAMMATIC FRONT, MOST DONORS ARE RELUCTANT TO COMMIT SPECIFIC RESOURCES UNTIL VIABLE DELIVERY MECHANISMS HAVE BEEN IDENTIFIED AND A MORE QUANTITATIVE PICTURE OF THE GRAIN SHORTAGE AND THE POTENTIAL FINANCIAL RESOURCES TO PAY FOR IT HAVE BEEN EXPLORED. WHILE WE SHARE ANGELO'S VIEWS THAT A SHORTAGE IS NEARLY CERTAIN, WE HAVE MANY RESERVATIONS AT THIS POINT ABOUT THE BEST WAY TO ADDRESS WE INTEND TO GET A BETTER HANDLE OF THESE ISSUES WITH A SENSE OF URGENCY. END SUMMARY. CONFIDENTIAL

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THE CRISIS: LET THEM EAT MAIZE

- (C) ANGELO AND A TEAM OF UN OFFICIALS KICKED OFF THE MEETING WITH DUTCH, GERMAN, DFID, SWEDE, NORWEGIAN, JAPANESE, FRENCH, DANISH, AND U.S. REPRESENTATIVES BY REVIEWING THE FOOD CRISIS. ANGELO CHARACTERIZED THE SITUATION AS "EXTREMELY DIFFICULT" DUE TO WHAT HE DESCRIBED AS THE GOZ POSITION. HE ASSERTED THAT WORKING-LEVEL OFFICIALS IN RELEVANT LINE MINISTRIES UNDERSTAND THERE IS A DIFFICULT "HUMANITARIAN" SITUATION AHEAD AND HAVE AGREED IN PRINCIPLE ON A DOCUMENT AND A DRAFT LETTER TO THE UN REQUESTING EXTERNAL ASSISTANCE. HOWEVER, THEY HAVE NOT YET SUCCEEDED IN GETTING THE GREEN LIGHT FROM THE MINISTERIAL LEVEL, WHICH THEY CLAIM IS UNWILLING TO TALK OF HUMANITARIAN NEED FOR "POLITICAL" REASONS.
- (U) THE LATEST FIGURES FROM THE GRAIN MARKETING BOARD (GMB) AND STRATEGIC GRAIN RESERVE (SGR) INDICATE
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 87 METRIC TONS OF WHEAT ON HAND, WITH THE REMAINDER
 (APPROXIMATELY 40,500 MT) IN PRIVATE HANDS. ANGELO

ESTIMATED THIS AS ABOUT SIX WEEKS OF SUPPLY. MAIZE IS SIMILARLY PROBLEMATIC, SINCE BOTH SMALL HOLDERS AND COMMERCIAL FARMERS ARE HOLDING BACK THEIR STOCKS FROM THE MARKET. (THIS COULD BE A WHOLLY WISE BUSINESS DECISION IN THE CURRENT ECONOMIC SITUATION OF RAMPANT INFLATION WHERE COMMODITIES ARE WORTH MORE THAN CONFIDENTIAL

PAGE 04 HARARE 02480 01 OF 03 221422Z DEPRECIATING CASH.) THE GMB HAS ONLY BEEN ABLE TO PURCHASE 32,000 MT TO DATE. SGR STOCKS ARE BEING DRAWN DOWN AND WITH MARKET PRICES INCREASING, THE SGR IS PROBABLY SHOWING A PROFIT ON PAPER, BUT IN HIGHLY OVERVALUED CURRENCY. THE CRUX OF THE PROBLEM IS THE GMB'S OFFERING PRICE OF ZIMBABWE DOLLAR (ZD) 7,500/MT, FAR BELOW THE ZD 12,000/MT OFFERED BY PRIVATE SECTOR BUYERS BEFORE THE GMB TOOK MONOPOLISTIC CONTROL OF THE MARKET AND PROBABLY LESS THAN PRODUCER COST. (COMMENT: THIS TOO REFLECTS THE MARKET AT WORK OUTSIDE THE PARASTATAL GRAIN BOARDS, AND FURTHER SHOWS THE INCREASING SCARCITY OF MAIZE AND WHEAT AND THE STEEP DECLINE OF THE ZD.)

- (SUB) TO FURTHER COMPLICATE MATTERS, THE GMB HAS ZD 1.3 BILLION BUDGETED FOR THE PURCHASING CAMPAIGN; ZD 6 BILLION IS REQUIRED TO PURCHASE THE ENTIRE CROP. GMB NOW HOLDS 258,000 MT OF MAIZE, WITH ANOTHER 60,000 MT IN PRIVATE HANDS, A SUPPLY THAT COULD BE STRETCHED TO MEET FOUR MONTHS OF CONSUMPTION.
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PAGE 01 ACTION AF-00 HARARE 02480 02 OF 03 221423Z

CIAE-00 DODE-00 SRPP-00 COR-01 AGRE-00 AID-00 INFO LOG-00 VC-00 TEDE-00 INR-00 EB-00 H - 0.1L - 00AC-01 PRS-00 NSAE-00 NSCE-00 OMB-01 PA-00 PM-00 TRSE-00 T-00 P-00 SP-00 SS-00 USIE-00 BBG-00 PMB-00 DRL-02 /006W SAS-00 G-00

-----151F24 221423Z /68 O 221125Z AUG 01 ZEL FM AMEMBASSY HARARE TO SECSTATE WASHDC IMMEDIATE 9523 INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY AMEMBASSY ROME PRIORITY

C O N F I D E N T I A L SECTION 02 OF 03 HARARE 002480

SIPDIS

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E.O. 12958: DECL: 08/22/03 E.O. 12958: DECE. TAGS: PREL EAID EAGR ZI
CONFIDENTIAL

PAGE 02 HARARE 02480 02 OF 03 221423Z SUBJECT: UNDP AND DONORS MEET ON FOOD AID FOR ZIMBABWE

AT A LOSS, HARVEST AND HOLD (RISKING LOOTING) CONFISCATION, OR ARREST IF THE FOOD SITUATION DRASTICALLY SOURS), OR TO LEAVE IT IN THE FIELDS TO ROTANGELO SAID THAT IN HIS RECENT TRAVELS THROUGH RURAL AREAS, HE HAD SEEN LITTLE LAND PREPARATION UNDERWAY FOR THE RAINY SEASON. (WE HAVE HEARD SIMILAR STORIES BUT CANNOT QUANTIFY WHAT THE SPECIFIC IMPLICATIONS ARE OTHER THAN LESS GRAIN IS LIKELY TO BE HARVESTED.) THERE WERE ALSO MORE SQUATTERS IN EVIDENCE, AND GROWING CHAOS SWIRLING AROUND THE ENTIRE RESETTLEMENT INITIATIVE.

16. (C) ANGELO CALCULATED (BY WHAT METHODOLOGY WE DON'T KNOW) THAT IN SPITE OF THE MANY VARIABLES, A 300-400,000 MT SHORTAGE IS LIKELY IN 2002. DESPITE RUMORS THAT THE GOZ WILL FORGO (UNSPECIFIED) EXTERNAL DEBT PAYMENTS AND USE REVENUE FOR GOLD SALES TO FINANCE COMMERCIAL PURCHASES, UNDP CONTACTS IN THE FINANCE MINISTRY SAY THAT THEY ARE NOT PRIVY TO HOW THE GOZ WILL COME UP WITH THE REQUIRED FOREX TO PAY FOR A SIZABLE AMOUNT OF IMPORTS. IN RESPONSE TO QUERIES FROM THE DONORS, ANGELO SPECULATED THAT NGOS, INCLUDING MANY FAITH-BASED GROUPS, WOULD NOT BE ALLOWED TO MAKE UP FOR COMMERCIAL SHORTFALLS THROUGH NON-GOVERNMENTAL DISTRIBUTION PROGRAMS IN RURAL AREAS. HE STATED BLUNTLY THAT HE THOUGHT THAT GOZ/ZANU INSIDERS SEE SUCH "HUMANITARIAN" INITIATIVES AS A TROJAN HORSE THAT COULD HAVE MUCH WIDER IMPLICATIONS FOR ELECTORAL EDUCATION, HUMAN RIGHTS ACTIVITIES, AND PROMOTION OF THE OPPOSITION. HE SAID THAT "OUR FRIEND JOSEPH (CHINOTIMBMA)" AND HIS ILK CONFIDENTIAL

02 OF 03 221423Z PAGE 03 HARARE 02480 RISKED RUNNING THE NGOS OUT OF RURAL AREAS FASTER THAN THEY WENT IN.

HUMANITARIAN SECRETARIAT: WHAT'S IN A NAME?

(C) ANGELO ADMITTED THAT THERE HAS BEEN NO PROGRESS IN LAUNCHING A PROPOSED UNDP HUMANITARIAN SECRETARIAT, ORIGINALLY EXPECTED TO COMMENCE OPERATIONS IN AUGUST, BECAUSE THE GOZ HAS NOT GIVEN UNDP A GREEN LIGHT. (THE SWEDES, DUTCH AND US HAVE AGREED TO PROVIDE FUNDS FOR THIS INITIATIVE.) ANGELO SAID THAT HE MAY HAVE NO OPTION BUT TO MOVE AHEAD AND ESTABLISH THIS UNILATERALLY, BRINGING IT IN UNDER THE GOZ'S RADAR USING THE RUBRIC OF A "RELIEF AND RECOVERY UNIT". ABSENT GOZ APPROVAL OR TERMS OF REFERENCE, HE WOULD BILL THIS AS AN INTEGRAL PART OF UNDP PROGRAMMING.

PROGRAM THE PROBLEM

- (C) ANGELO SAID THAT THIS APPROACH (ALSO A TROJAN HORSE) WOULD PERMIT EXPEDITIOUS PLANNING. NONETHELESS. IT WOULD REQUIRE COSMETIC PROGRAMS -- CHILD SURVIVAL NEED ASSESSMENT, ETC. -- BEHIND WHICH IT COULD BEGIN ASSESSMENT AND PLANNING FOR FOOD DELIVERY MECHANISMS SEVERAL OF THE DONORS RIGHTLY BALKED AT THIS. THE DFID REPRESENTATIVE OBSERVED THAT IT MIGHT BE EASIER TO DO A NUMBER OF SMALL REGIONAL BILATERAL PROGRAMS UNDER THE CONFIDENTIAL
- PAGE 04 HARARE 02480 02 OF 03 221423Z RADAR RATHER THAN A LARGER, MULTILATERAL EFFORT. TH SWEDES AGREED, POINTING OUT THAT THE FOOD SHORTAGES COULD PROVE TO CONFIRM INITIAL ASSUMPTIONS THAT THEY WILL BE LOCALIZED. THE DFID TEAM ALSO REJECTED OUT OF HAND RECENT GOZ SUGGESTIONS THAT A REGIONAL APPROACH BE TAKEN, SINCE IN DFID'S VIEW THIS WOULD PERMIT THE GOZ TO SANITIZE GRANT COMMODITIES THROUGH AN UPRIGHT NEIGHBOR SUCH AS BOTSWANA BEFORE LAYING HANDS ON THE CEREALS FOR GOVERNMENT PROGRAMS.
- (C) OTHER PARTICIPANTS UNDERLINED THAT THE LACK OF WFP EXPERTISE ON THE GROUND COULD BE A SERIOUS IMPEDIMENT TO AN INDEPENDENT AND ACCURATE ASSESSMENT. ANGELO SAID THAT FOR THE MOMENT HE WAS TAPPING WFP PERSONNEL FROM ZAMBIA AND MOZAMBIQUE TO BRIDGE THE GAP. THERE WAS A FINAL CONSENSUS AMONG THE DONORS THAT NONE OF THEM FAVOR A RELIEF AND RECOVERY UNIT THAT AT THIS TIME GOES BEYOND AN ASSESSMENT, MONITORING AND COORDINATION ROLE. WITH THE EXCEPTION OF THE SWEDES, EVERYONE WANTED TO SEE WHAT FOOD DELIVERY MECHANISMS COULD BE IDENTIFIED BEFORE COMMITTING RESOURCES.

COMMENT

CONFIDENTIAL

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PAGE 01 HARARE 02480 03 OF 03 221423Z ACTION AF-00

LOG-00 COR-01 AGRE-00 AID-00 CIAE-00 DODE-00 SRPP-00 INFO L-00 AC-01 PRS-00 ACE-00 EB-00 VC-00 H - 01TEDE-00 INR-00 NSAE-00 NSCE-00 OMB-01 PM-00 PA-00 ACE-00 OMD-SS-00 TKDL SAS-00 SP-00 SS-00 DRL-02 G-00 TRSE-00 T-00 P = 0.0USIE-00 BBG-00 PMB-00 /006W

-----151F26 221424Z /68

O 221125Z AUG 01 FM AMEMBASSY HARARE TO SECSTATE WASHDC IMMEDIATE 9524 INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY AMEMBASSY ROME PRIORITY DEPT OF AGRICULTURE USD FAS WASHDC

C O N F I D E N T I A L SECTION 03 OF 03 HARARE 002480

SIPDIS

CORRECTED COPY - USDA FAS WASHDC ADDED AS ADDEE NOT PASS TO

STATE FOR AF, AF/S, AND AF/EPS

USAID FOR AFR/SA, NAN NEWMAN, LANCE DOWNING, AND C.W.T. HAGELMAN; ALSO FOR B/HR/FFP JON BRAUSE

PRETORIA FOR AGATT RICK HELMS

E.O. 12958: DECL: 08/22/03

TAGS: PREL EAID EAGR ZI

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HARARE 02480 03 OF 03 221423Z PAGE 02 SUBJECT: UNDP AND DONORS MEET ON FOOD AID FOR ZIMBABWE

- (C) THERE WAS GENERAL AGREEMENT THAT A DOMESTIC SHORTFALL OF CEREALS IS A CERTAINTY, BUT THERE WAS NO CONCLUSIVE AGREEMENT ON HOW TO HANDLE THIS OR TO WHAT THE EXTENT OF EXTERNAL NON-COMMERCIAL ASSISTANCE MIGHT BE REQUIRED. FOR ITS PART, THE GOZ INPUT INTO THE MOST RECENT SADC FOOD EARLY WARNING SYSTEM REPORT INDICATES THAT THE GOZ PLANS TO PURCHASE COMMERCIALLY 544,000 MT OF CEREAL AND RESTORE THE SGR TO A CARRYOVER SURPLUS OF 500,000 MT OF MAIZE AND 200,000 MT OF WHEAT. THE WFP STILL IN THE WATCHING PHASE (REFTEL) AND THE UNDP HERE THE WFP IS FINDS ITSELF FLANKED BY A RECALCITRANT AND POLITICIZED GOZ ON ONE SIDE, AND SKEPTICAL DONORS ON THE OTHER.
- (C) GIVEN THE WELTER OF CONFLICTING FIGURES AND APPROACHES, ADDITIONAL INFORMATION/PLANNING WILL BE NECESSARY BEFORE A COHERENT BILATERAL OR MULTILATERAL USG PROPOSAL CAN BE PLACED ON THE TABLE. THE MISSION WILL CONSULT WIDELY AND PROVIDE INPUT AS URGENTLY AS POSSIBLE. WE ARE ALSO CONCERNED THAT ZIMBABWE'S EVOLVING ECONOMIC INSTABILITY, DRIVEN BY A STEEPLY DECLINING ZD AND UNREALISTIC EXCHANGE RATES, WILL HAVE A HEAVY AND MEASURABLE IMPACT ON THE FUTURE FOOD SITUATION AND THE GOZ'S ABILITY TO PURCHASE GRAIN COMMERCIALLY, BOTH DOGMATICALLY AND FOR IMPORTS. THUS FAR THE GOZ DOES NOT SEEM TO BE TAKING THIS INTO ACCOUNT IN ITS CALCULATIONS.

ROTH

CONFIDENTIAL

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CONFIDENTIAL PTO4382

PAGE 01 HARARE 02480 01 OF 03 221200Z

ACTION AF-00

AID-00 CIAE-00 DODE-00 SRPP-00 EB-00 TEDE-00 INR-00 L-00 AC-01 NSAE-0 PA-00 PM-00 PRS-00 ACE-00 P-00 TRSE-00 T-00 USIE-00 BBG-00 PMB-00 INFO LOG-00 AGRE-00 AID-00 VC-00 H - 01NSAE-00 H-01 OMB-01 NSCE-00 SS-00 TRSE-00 T-00 G-00 SAS-00 /005W SP-00 DRT:-02 G-00

-----150EEC 221200Z /75 O 221125Z AUG 01 FM AMEMBASSY HARARE TO SECSTATE WASHDC IMMEDIATE 9522 INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY AMEMBASSY ROME PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 HARARE 002480

SIPDIS

DEPT PASS TO DEPARTMENT OF AGRICULTURE

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TAGS: PREL EAID EAGR ZI SUBJECT: UNDP AND DONORS MEET ON FOOD AID FOR ZIMBABWE

CONFIDENTIAL

PAGE 02 HARARE 02480 01 OF 03 221200Z REF: ROME 4322

CLASSIFIED BY DCM REWHITEHEAD DUE TO 1.5 (B) AND (D).

11. (C) SUMMARY. UNDP RESIDENT REPRESENTATIVE VICTOR ANGELO MET WITH A LARGE SEGMENT OF THE DONOR COMMUNITY ON AUGUST 20 AT THE FORMER'S INVITATION TO DISCUSS

DEVELOPMENTS ON THE FOOD AID FRONT. THE GROUP FOCUSED IN SEQUENCE ON THE DIMENSIONS OF THE CRISIS, ESTABLISHMENT OF A HUMANITARIAN SECRETARIAT WITHIN UNDP, AND POSSIBLE PROGRAM ACTIVITIES. ANGELO DESCRIBED HIGHLEVEL GOZ RESISTANCE TO REQUESTING HUMANITARIAN ASSISTANCE DESPITE INCREASINGLY RELIABLE, BUT SO FAR INCONSISTENT, PROJECTIONS THAT THERE WILL BE FOOD SHORTAGES BY EARLY NEXT YEAR. HE EXPRESSED CONCERN THAT CURRENT CONDITIONS ON COMMERCIAL FARMS COULD FURTHER AGGRAVATE THE SITUATION. ANGELO SAID THAT HE PLANS TO ESTABLISH IMMEDIATELY A RELIEF AND RECOVERY UNIT, WITH OR WITHOUT GOZ APPROVAL THAT IN FACT WOULD BE A UN PLANNING AND ASSESSMENT MECHANISM. ON THE PROGRAMMATIC FRONT, MOST DONORS ARE RELUCTANT TO COMMIT SPECIFIC RESOURCES UNTIL VIABLE DELIVERY MECHANISMS HAVE BEEN IDENTIFIED AND A MORE QUANTITATIVE PICTURE OF THE GRAIN SHORTAGE AND THE POTENTIAL FINANCIAL RESOURCES TO PAY FOR IT HAVE BEEN EXPLORED. WHILE WE SHARE ANGELO'S VIEWS THAT A SHORTAGE IS NEARLY CERTAIN, WE HAVE MANY RESERVATIONS AT THIS POINT ABOUT THE BEST WAY TO ADDRESS IT. WE INTEND TO GET A BETTER HANDLE OF THESE ISSUES WITH A SENSE OF URGENCY. END SUMMARY.

CONFIDENTIAL

PAGE 03 HARARE 02480 01 OF 03 221200Z THE CRISIS: LET THEM EAT MAIZE

- 12. (C) ANGELO AND A TEAM OF UN OFFICIALS KICKED OFF THE MEETING WITH DUTCH, GERMAN, DFID, SWEDE, NORWEGIAN, JAPANESE, FRENCH, DANISH, AND U.S. REPRESENTATIVES BY REVIEWING THE FOOD CRISIS. ANGELO CHARACTERIZED THE SITUATION AS "EXTREMELY DIFFICULT" DUE TO WHAT HE DESCRIBED AS THE GOZ POSITION. HE ASSERTED THAT WORKING-LEVEL OFFICIALS IN RELEVANT LINE MINISTRIES UNDERSTAND THERE IS A DIFFICULT "HUMANITARIAN" SITUATION AHEAD AND HAVE AGREED IN PRINCIPLE ON A DOCUMENT AND A DRAFT LETTER TO THE UN REQUESTING EXTERNAL ASSISTANCE. HOWEVER, THEY HAVE NOT YET SUCCEEDED IN GETTING THE GREEN LIGHT FROM THE MINISTERIAL LEVEL, WHICH THEY CLAIM IS UNWILLING TO TALK OF HUMANITARIAN NEED FOR "POLITICAL" REASONS.
- 13. (U) THE LATEST FIGURES FROM THE GRAIN MARKETING BOARD (GMB) AND STRATEGIC GRAIN RESERVE (SGR) INDICATE THAT SHORTAGES LIE AHEAD. ANGELO SAID THAT GMB HAS ONLY 87 METRIC TONS OF WHEAT ON HAND, WITH THE REMAINDER (APPROXIMATELY 40,500 MT) IN PRIVATE HANDS. ANGELO ESTIMATED THIS AS ABOUT SIX WEEKS OF SUPPLY. MAIZE IS SIMILARLY PROBLEMATIC, SINCE BOTH SMALL HOLDERS AND COMMERCIAL FARMERS ARE HOLDING BACK THEIR STOCKS FROM THE MARKET. (THIS COULD BE A WHOLLY WISE BUSINESS DECISION IN THE CURRENT ECONOMIC SITUATION OF RAMPANT INFLATION WHERE COMMODITIES ARE WORTH MORE THAN DEPRECIATING CASH.) THE GMB HAS ONLY BEEN ABLE TO PURCHASE 32,000 MT TO DATE. SGR STOCKS ARE BEING DRAWN CONFIDENTIAL
- PAGE 04 HARARE 02480 01 OF 03 221200Z
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- 14. (SUB) TO FURTHER COMPLICATE MATTERS, THE GMB HAS ZD 1.3 BILLION BUDGETED FOR THE PURCHASING CAMPAIGN; ZD 6 BILLION IS REQUIRED TO PURCHASE THE ENTIRE CROP. THE GMB NOW HOLDS 258,000 MT OF MAIZE, WITH ANOTHER 60,000 MT IN PRIVATE HANDS, A SUPPLY THAT COULD BE STRETCHED TO MEET FOUR MONTHS OF CONSUMPTION.
- 15. (SBU) THERE ARE ADDITIONAL, LONGER-TERM CONCERNS AS WELL. ANGELO SAID THAT HE IS NOT SURE THAT THE WHEAT NOW IN THE FIELDS WILL BE HARVESTED. THE CURRENT OPTIONS FOR COMMERCIAL FARMERS ARE TO HARVEST AND SELL

CONFIDENTIAL

CONFIDENTIAL PTQ4383

PAGE 01 HARARE 02480 02 OF 03 221201Z ACTION AF-00

INFO LOG-00 AGRE-00 AID-00 CIAE-00 DODE-00 SRPP-00 EB-00 VC-00 H-01 TEDE-00 INR-00 L-00 AC-01 NSAE-00 NSCE-00 OMB-01 PA-00 PM-00 PRS-00 ACE-00 P-00 SP-00 SS-00 TRSE-00 T-00 USIE-00 BBG-00 PMB-00

DRL-02 G-00 SAS-00 /005W -----150EF8 221201Z /75

O 221125Z AUG 01 FM AMEMBASSY HARARE TO SECSTATE WASHDC IMMEDIATE 9523 INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY AMEMBASSY ROME PRIORITY

C O N F I D E N T I A L SECTION 02 OF 03 HARARE 002480

STPDTS

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E.O. 12958: DECL: 08/22/03 TAGS: <u>PREL</u> <u>EAID</u> <u>EAGR</u> <u>ZI</u>

SUBJECT: UNDP AND DONORS MEET ON FOOD AID FOR ZIMBABWE

CONFIDENTIAL

PAGE 02 HARARE 02480 02 OF 03 221201Z
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16. (C) ANGELO CALCULATED (BY WHAT METHODOLOGY WE DON'T KNOW) THAT IN SPITE OF THE MANY VARIABLES, A 300-400,000 MT SHORTAGE IS LIKELY IN 2002. DESPITE RUMORS THAT THE GOZ WILL FORGO (UNSPECIFIED) EXTERNAL DEBT PAYMENTS AND USE REVENUE FOR GOLD SALES TO FINANCE COMMERCIAL PURCHASES, UNDP CONTACTS IN THE FINANCE MINISTRY SAY THAT THEY ARE NOT PRIVY TO HOW THE GOZ WILL COME UP WITH THE REQUIRED FOREX TO PAY FOR A SIZABLE AMOUNT OF IMPORTS. IN RESPONSE TO QUERIES FROM THE DONORS, ANGELO SPECULATED THAT NGOS, INCLUDING MANY FAITH-BASED GROUPS, WOULD NOT BE ALLOWED TO MAKE UP FOR COMMERCIAL SHORTFALLS THROUGH NON-GOVERNMENTAL DISTRIBUTION PROGRAMS IN RURAL AREAS. HE STATED BLUNTLY THAT HE THOUGHT THAT GOZ/ZANU INSIDERS SEE SUCH "HUMANITARIAN" INITIATIVES AS A TROJAN HORSE THAT COULD HAVE MUCH WIDER IMPLICATIONS FOR ELECTORAL EDUCATION, HUMAN RIGHTS ACTIVITIES, AND PROMOTION OF THE OPPOSITION. HE SAID THAT "OUR FRIEND JOSEPH (CHINOTIMBMA)" AND HIS ILK RISKED RUNNING THE NGOS OUT OF RURAL AREAS FASTER THAN THEY WENT IN.

CONFIDENTIAL

PAGE 03 HARARE 02480 02 OF 03 221201Z

HUMANITARIAN SECRETARIAT: WHAT'S IN A NAME?

17. (C) ANGELO ADMITTED THAT THERE HAS BEEN NO PROGRESS IN LAUNCHING A PROPOSED UNDP HUMANITARIAN SECRETARIAT, ORIGINALLY EXPECTED TO COMMENCE OPERATIONS IN AUGUST, BECAUSE THE GOZ HAS NOT GIVEN UNDP A GREEN LIGHT. (THE SWEDES, DUTCH AND US HAVE AGREED TO PROVIDE FUNDS FOR THIS INITIATIVE.) ANGELO SAID THAT HE MAY HAVE NO OPTION BUT TO MOVE AHEAD AND ESTABLISH THIS UNILATERALLY, BRINGING IT IN UNDER THE GOZ'S RADAR USING THE RUBRIC OF A "RELIEF AND RECOVERY UNIT". ABSENT GOZ APPROVAL OR TERMS OF REFERENCE, HE WOULD BILL THIS AS AN INTEGRAL PART OF UNDP PROGRAMMING.

PROGRAM THE PROBLEM

18. (C) ANGELO SAID THAT THIS APPROACH (ALSO A TROJAN HORSE) WOULD PERMIT EXPEDITIOUS PLANNING. NONETHELESS, IT WOULD REQUIRE COSMETIC PROGRAMS -- CHILD SURVIVAL NEED ASSESSMENT, ETC. -- BEHIND WHICH IT COULD BEGIN ASSESSMENT AND PLANNING FOR FOOD DELIVERY MECHANISMS. SEVERAL OF THE DONORS RIGHTLY BALKED AT THIS. THE DFID REPRESENTATIVE OBSERVED THAT IT MIGHT BE EASIER TO DO A NUMBER OF SMALL REGIONAL BILATERAL PROGRAMS UNDER THE RADAR RATHER THAN A LARGER, MULTILATERAL EFFORT. THE SWEDES AGREED, POINTING OUT THAT THE FOOD SHORTAGES CONFIDENTIAL

COULD PROVE TO CONFIRM INITIAL ASSUMPTIONS THAT THEY WILL BE LOCALIZED. THE DFID TEAM ALSO REJECTED OUT OF HAND RECENT GOZ SUGGESTIONS THAT A REGIONAL APPROACH BE TAKEN, SINCE IN DFID'S VIEW THIS WOULD PERMIT THE GOZ TO SANITIZE GRANT COMMODITIES THROUGH AN UPRIGHT NEIGHBOR SUCH AS BOTSWANA BEFORE LAYING HANDS ON THE CEREALS FOR GOVERNMENT PROGRAMS.

19. (C) OTHER PARTICIPANTS UNDERLINED THAT THE LACK OF WFP EXPERTISE ON THE GROUND COULD BE A SERIOUS IMPEDIMENT TO AN INDEPENDENT AND ACCURATE ASSESSMENT. ANGELO SAID THAT FOR THE MOMENT HE WAS TAPPING WFP PERSONNEL FROM ZAMBIA AND MOZAMBIQUE TO BRIDGE THE GAP. THERE WAS A FINAL CONSENSUS AMONG THE DONORS THAT NONE OF THEM FAVOR A RELIEF AND RECOVERY UNIT THAT AT THIS TIME GOES BEYOND AN ASSESSMENT, MONITORING AND COORDINATION ROLE. WITH THE EXCEPTION OF THE SWEDES, EVERYONE WANTED TO SEE WHAT FOOD DELIVERY MECHANISMS COULD BE IDENTIFIED BEFORE COMMITTING RESOURCES.

COMMENT

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AGRE-00 AID-00 CIAE-00 DODE-00 SRPP-00 EB-00 TNFO LOG-00 TEDE-00 INR-00 VC-00 H = 0.1 $T_1 = 0.0$ AC-01 NSAE-00 PRS-00 PA-00 PM-00 NSCE-00 OMB-01 ACE-00 P - 0.0TRSE-00 SP-00 SS-00 T-00 USIE-00 BBG-00 PMB-00 /005W DRL-02 G-00 SAS-00 ----150F04 221201Z /75

O 221125Z AUG 01 FM AMEMBASSY HARARE TO SECSTATE WASHDC IMMEDIATE 9524 INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY AMEMBASSY ROME PRIORITY

C O N F I D E N T I A L SECTION 03 OF 03 HARARE 002480

SIPDIS

DEPT PASS TO DEPARTMENT OF AGRICULTURE

STATE FOR AF, AF/S, AND AF/EPS

USAID FOR AFR/SA, NAN NEWMAN, LANCE DOWNING, AND C.W.T. HAGELMAN; ALSO FOR B/HR/FFP JON BRAUSE

PRETORIA FOR AGATT RICK HELMS

E.O. 12958: DECL: 08/22/03 TAGS: <u>PREL</u> <u>EAID</u> <u>EAGR</u> <u>ZI</u>

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- 110. (C) THERE WAS GENERAL AGREEMENT THAT A DOMESTIC SHORTFALL OF CEREALS IS A CERTAINTY, BUT THERE WAS NO CONCLUSIVE AGREEMENT ON HOW TO HANDLE THIS OR TO WHAT THE EXTENT OF EXTERNAL NON-COMMERCIAL ASSISTANCE MIGHT BE REQUIRED. FOR ITS PART, THE GOZ INPUT INTO THE MOST RECENT SADC FOOD EARLY WARNING SYSTEM REPORT INDICATES THAT THE GOZ PLANS TO PURCHASE COMMERCIALLY 544,000 MT OF CEREAL AND RESTORE THE SGR TO A CARRYOVER SURPLUS OF 500,000 MT OF MAIZE AND 200,000 MT OF WHEAT. THE WFP IS STILL IN THE WATCHING PHASE (REFTEL) AND THE UNDP HERE FINDS ITSELF FLANKED BY A RECALCITRANT AND POLITICIZED GOZ ON ONE SIDE, AND SKEPTICAL DONORS ON THE OTHER.
- 111. (C) GIVEN THE WELTER OF CONFLICTING FIGURES AND APPROACHES, ADDITIONAL INFORMATION/PLANNING WILL BE NECESSARY BEFORE A COHERENT BILATERAL OR MULTILATERAL USG PROPOSAL CAN BE PLACED ON THE TABLE. THE MISSION WILL CONSULT WIDELY AND PROVIDE INPUT AS URGENTLY AS POSSIBLE. WE ARE ALSO CONCERNED THAT ZIMBABWE'S EVOLVING ECONOMIC INSTABILITY, DRIVEN BY A STEEPLY DECLINING ZD AND UNREALISTIC EXCHANGE RATES, WILL HAVE A HEAVY AND MEASURABLE IMPACT ON THE FUTURE FOOD SITUATION AND THE GOZ'S ABILITY TO PURCHASE GRAIN COMMERCIALLY, BOTH DOGMATICALLY AND FOR IMPORTS. THUS FAR THE GOZ DOES NOT SEEM TO BE TAKING THIS INTO ACCOUNT IN ITS CALCULATIONS.

ROTH

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